



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0263	<b>Title:</b>	Require DPHHS to provide educational materials to medicaid enrollees
<b>Primary Sponsor:</b>	Caferro, Mary	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$53,363	\$13,500	\$13,500	\$13,500
Federal Special Revenue	\$68,988	\$13,500	\$13,500	\$13,500
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$68,988	\$13,500	\$13,500	\$13,500
<b>Net Impact-General Fund Balance:</b>	<u><u>(\$53,363)</u></u>	<u><u>(\$13,500)</u></u>	<u><u>(\$13,500)</u></u>	<u><u>(\$13,500)</u></u>

**Description of fiscal impact:** SB 263 requires the Department of Public Health and Human Services to provide health care and Medicaid information to individuals in the Medicaid program. This will entail the development of information and ongoing educational opportunities on Medicaid benefits and health care topics.

### FISCAL ANALYSIS

#### Assumptions:

Trainings:

- In Section 1 (3), the division will offer WebEx trainings for informational training settings on a quarterly basis.
- The correspondence will be provided electronically or within current existing department material.

Explanation of Benefits (EOB):

- In Section 1 (5), the division is assumed to provide the explanation of benefits through an electronic format.
- Montana Medicaid Information System (MMIS)
  - The one time MMIS set-up costs for implementing an electronic format will be (780 hours x \$82.18= \$64,100).

- b) The maintenance fee for providing the electronic explanation of benefits is (\$166.67 x 12 months = \$2,000).
- c) The customer call center at the fiscal agent is anticipated to require additional contracted services to handle increased customer calls. The cost is estimated to be \$25,000 annually (or \$2,083/month).
- 5. Combined Health Information and Montana Eligibility System (CHIMES)
  - a) Programming changes would be required to the CHIMES system for the EOBs to be available to clients when they log in through the Self-Service Portal.
  - b) The Medicaid Management Information System (MMIS) produces the EOB and would make these documents available on the SFTP server by a filename that includes the case number and personal ID for each client. These documents and records would be picked up by CHIMES, added to the clients database, and then be available to clients online.
  - c) 250 programming hours are estimated to be required to accomplish this service at a cost of \$125 per hour for a total one-time only cost of \$31,250.
  - d) This work would be performed under the MMIS operations fund split of 75% federal fund and 25% general funds.

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$122,350	\$27,000	\$27,000	\$27,000
<b>TOTAL Expenditures</b>	<b>\$122,350</b>	<b>\$27,000</b>	<b>\$27,000</b>	<b>\$27,000</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$53,363	\$13,500	\$13,500	\$13,500
Federal Special Revenue (03)	\$68,988	\$13,500	\$13,500	\$13,500
<b>TOTAL Funding of Exp.</b>	<b>\$122,350</b>	<b>\$27,000</b>	<b>\$27,000</b>	<b>\$27,000</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$68,988	\$13,500	\$13,500	\$13,500
<b>TOTAL Revenues</b>	<b>\$68,988</b>	<b>\$13,500</b>	<b>\$13,500</b>	<b>\$13,500</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$53,363)	(\$13,500)	(\$13,500)	(\$13,500)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. Medicaid Program Integrity - It is anticipated that the Program Integrity Unit will see an increase in the number of returned Explanation of Benefits (EOBs) each month on recipient referrals for possible fraud. The program will continue to follow-up with these referrals in accordance with current practices. It is, however, not possible to determine the increase in recipient referrals and consequently, additional investigations needed.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*